Operational Quality (40%)

Measure	Metric	Target	Y1	Y2	Y3	Y4	Y5				
Indicator - Financial performance & sustainability (45%)											
Student enrollment	Actual student enrollment, per statutorily reported count / Budgeted student enrollment	Actual enrollment is within 20% of budgeted enrollment	≥ 0.80	≥ 0.85	≥ 0.90	≥ 0.95	1.0 ≤ Target ≤ 1.2				
Liquidity	Current ratio: (Current assets - Current liabilities) / Total expenses	.5 ≤ Target	≥ .1	≥ .2	≥ .3	≥ .4	≥ .5				
Liquidity	Cash on hand: (Current unrestricted net assets / (Operating expenses / 365))	120 days cash on hand	Days cash on hand ≥ 45	Days cash on hand ≥ 60	Days cash on hand ≥ 75	Days cash on hand ≥ 90	Days cash on hand ≥ 120				
Liquidity	Net income available for debt service ((Unrestricted net assets - total operational expenses for prior year) / Debt service)	1.00 ≤ Target	≥ 1.00	1.25	1.5	1.75	2				
Sustainability	Total uncresticted net assets / Average monthly expenses	1.5 ≤ Target	≥ 1.5	2	3	4.5	4				
Sustainability	Debt ratio: Total liabilities / Total assets	Total Debt in relation to Total Assets	at least	not more than 10%	not more than 15% greater than	not more than 20% greater than	Total Debt is not more than 25% greater than total assets				

Sustainability	Net change in assets: (Total assets - Total liabilities) / Total assets	Percentage of free resources to be devoted to either liquidity or growth in fixed assets	Percentage change in net resources devoted to either liquidity or growth in fixed assets must be at least 5%	Percentage change in net resources devoted to either liquidity or growth in fixed assets must be at least10%	change in net resources devoted to either liquidity or growth in fixed assets	change in net resources devoted to either liquidity or growth in	Percentage change in net resources devoted to either liquidity or growth in fixed assets must be at least 25%
Sustainability	Adherance to budget: (Budgeted expenditure - Expenditure) / Budgeted expenditure		≤ -2%	≤ -1%	≥ 1%	≥ 3%	≥ 5%
Sustainability	Maintain applicable bond covenants		Annual submission of No Default	Annual submission of No Default	Annual submission of No Default	Annual submission of No Default	Annual submission of No Default
Occupancy expense	Total occupancy costs (lease or mortgage) / Total revenues	28%≥ Target	≤ 28%	≤ 25%	≤ 22%	≤ 22%	≤ 22%
Annual audit	Absence of material or repeated audit findings in an annual audit by qualified independent auditor, including findings indicating circumstances that would have a material effect on continued or future ability to provide services		NA	Audit findings of material or significant deficiencies in financial controls or reporting	Absence of repeat findings or findings of material deficiencies	Absence of repeat findings or findings of material or significant deficiencies	Absence of repeat findings or findings of material or significant deficiencies